



FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35937]

Iowa Pacific Holdings, LLC and Permian Basin Railways—Continuance in Control

Exemption—Piedmont Railway LLC

Iowa Pacific Holdings, LLC (IPH), and its wholly owned subsidiary, Permian Basin Railways (PBR) (collectively, applicants) have jointly filed a verified notice of exemption pursuant to 49 CFR 1180.2(d)(2) to continue in control of Piedmont Railway LLC (Piedmont), upon Piedmont's becoming a Class III rail carrier.¹

This transaction is related to a concurrently filed verified notice of exemption in Piedmont Railway LLC—Lease & Operation Exemption—North Carolina Department of Transportation, Docket No. FD 35936, wherein Piedmont seeks Board approval to lease and operate approximately 13 miles of rail line owned by the North Carolina Department of Transportation (NCDOT) in Gaston County, N.C. The line consists of two segments: (1) between milepost SFC 11.39 at Mt. Holly, N.C., and milepost SFC 23.0 at Gastonia, N.C.; and (2) the Belmont Branch, between milepost SFC 13.6/SFF 0.13 and milepost SFF 1.56, including all sidings, industrial tracks, yard, and storage tracks.

The parties intend to consummate the proposed transaction on August 1, 2015.

¹ Piedmont is a new, limited liability company and an indirect corporate subsidiary of IPH, which owns 100 % of PBR, which in turn, will own 100 % of Piedmont.

Applicants currently control 13 Class III rail carriers, operating in 10 states. For a complete list of these rail carriers, and the states in which they operate, see applicants' notice of exemption filed on July 1, 2015. The notice is available on the Board's website at "WWW.STB.DOT.GOV."

Applicants certify that: (1) the rail lines to be operated by Piedmont do not connect with any other railroads operated by the carriers in the applicants' corporate family; (2) the continuance in control is not part of a series of anticipated transactions that would connect the rail lines to be operated by Piedmont with any other railroad in applicants' corporate family; and (3) the transaction does not involve a Class I rail carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(2).

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Section 11326(c), however, does not provide for labor protection for transactions under §§ 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here, because all of the carriers involved are Class III carriers.

If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Stay petitions must be filed no later than July 24, 2015 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35937, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on John D. Heffner, Strasburger & Price, LLP, 1025 Connecticut Ave., N.W., Suite 717, Washington, DC 20036.

Board decisions and notices are available on our website at “WWW.STB.DOT.GOV.”

Decided: July 13, 2015.

By the Board, Joseph H. Dettmar, Acting Director, Office of Proceedings.

Jeffrey Herzig,

Clearance Clerk.

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